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February 7, 1975

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion with Frank Sullivan, Senate Armed Services Staff, on Soviet and Chinese Aid to North Vietnam

1. At Mr. Sullivan's request, Bob Layton and I spent an hour this morning with Frank Sullivan going over our figures on Sino-Soviet economic and military aid to North Vietnam and how we arrive at these figures. Sullivan has prepared a draft report on the recent trip he and Senator Nunn made to Southeast Asia. In this report, which will be made public, Sullivan used figures he had garnered overseas. He also has several passages implicitly critical of the intelligence community for not providing a more "dedicated analysis" on this question.

2. Frank opened the discussion stating that he had come away from the trip convinced that no one really knew the level of Sino-Soviet aid to North Vietnam. He commented that the figures he had been given were so shrouded in caveats as to make them highly uncertain at best.

3. Mr. Layton explained in some detail how we have a fairly good handle on the level of economic aid, but are in a much less enviable position on military aid. Economic aid is dealt with in contracts [REDACTED]

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[REDACTED] We do not, however, have the same access to military aid, almost all of which moves by rail [REDACTED]

[REDACTED] Mr. Layton noted that we arrive at our military equipment figures by costing a particular item against what it would cost to procure in the US. What we do not know, however, is how much it costs the Soviets or the Chinese to pack, ship, and service this equipment. Nor do we know the cost of Soviet military advisors in North Vietnam.

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4. Mr. Sullivan said that on a key question such as aid to North Vietnam what he felt was required was analysis which would consider just such intangible costs. His objective he said was to reach figures against which US aid could be meaningfully compared. As he put it, "if they give the North Vietnamese X amount then we can go to the Congress and request the US to provide a comparable amount of assistance to South Vietnam." We suggested one means of approaching this would be to deduct from US aid figures the intangible expenses. Mr. Sullivan replied that in the present political climate this simply would not wash. We agreed that we would try again to see if there was some way to devise meaningful costs for shipping and services on military aid to North Vietnam, although we noted we would have to use Department of Defense figures on comparable costs to the US and we were not sure DoD would be able to come up with meaningful figures.

5. Mr. Sullivan showed us his draft report which contained a phrase to the effect that the intelligence community had not put a dedicated effort against this problem. We suggested, and he accepted, a change in phrasing to indicate that more effort should be devoted to the question of Soviet and Chinese aid to North Vietnam. Mr. Layton also provided some updated figures on economic aid to North Vietnam which Mr. Sullivan will use in his report as round figures, i.e., about \$1 billion for 1974.

6. Mr. Layton will explore with OER the possibilities and the problems involved in coming to grips with costing intangibles.

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